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## Turkey

## Raisin Annual

## Turkey Annual Raisin Report

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**Report Highlights:**

Raisin production in Turkey in 2017/18 forecast is 295,000 tons, down 5 percent from MY 2016/17 due to sporadic frost and hail damages during the spring in some regions in Manisa and Izmir. Raisin exports for MY2016/17 are expected to be 260,000 tons after a good harvest which has resulted in a competitive price. For MY 2017/18, raisin exports will be high again, with a forecast of 240,000 MT in accordance with domestic supply. Turkey's main export market for the well-known Sultana raisins is Europe.

## Turkey Annual Raisin Report 2017

### Production

Turkey is one of the major raisin producers and exporters. Turkey produces approximately 4 million MT of grapes annually. Grapes are grown throughout Turkey. There are over 1,200 different grape varieties in Turkey. While products in the Aegean region are characterized as seedless grapes, the Marmara region surrounding Istanbul produces table and wine grapes, and Central Anatolia and Southeast Anatolia produce table and wine grapes. Table grapes make up 30 percent of production, whereas drying grapes make up 35 percent, grapes for traditional products such as *pestil*, *pekmez* (grape molasses) 20-25 percent, and grapes for alcoholic beverage production approximately 5-10 percent.

Seedless grape production is about 1.5 million MT. Twenty percent of this production is consumed as fresh and the rest is dried. When dried, approximately 4 kg of grapes result in 1 kg of raisins. Almost all exported dried seedless raisins are the variety sultana, which means fit for sultans. The name dates back to the 19th century.

Harvest starts around mid-August and ends beginning of September. Raisin production estimate is 310,000 MT in MY 2016/17 from a planted area of 105,000 hectares. Raisin production forecast in Turkey for 2017/18 is 295,000 MT, down 5% from 310,000 MT in 2016/17 due to sporadic frost and hail damages during the spring in some regions in Manisa and Izmir.

Planted area is 105,000 ha in MY2017/18, which is the same as the previous year. Seedless raisin production expanded significantly in Turkey in recent years due to export opportunities and good returns. Marketing problems from other products such as cotton also led farmers to prefer to grow raisins. Planting area doubled compared to the 1980s and increased 25 percent compared to the 2000s. Yields vary from 2 MT/Ha to 6 MT/Ha, according to the geographic location.

**Table 1: Raisin Planting Area and Production**

| Marketing Year | Area Planted (Ha) | Production (MT) |
|----------------|-------------------|-----------------|
| 2002/2003      | 79,420            | 231,000         |
| 2004/2005      | 82,090            | 305,000         |
| 2006/2007      | 86,160            | 256,000         |
| 2008/2009      | 85,080            | 346,000         |
| 2010/2011      | 84,970            | 248,500         |
| 2012/2013      | 85,260            | 310,000         |
| 2013/2014      | 96,760            | 186,000         |
| 2014/2015      | 91,835            | 328,000         |
| 2015/2016      | 100,400           | 209,000         |
| 2016/2017      | 104,400           | 313,000         |

Source: TARIS, Turkish State Statistical Institute

### Consumption

Domestic raisin consumption fluctuates between 40,000-50,000 MT depending upon the supply and quality of the raisin crop. Raisin consumption forecast is 50,000 MT for MY2017/18, in line with the current marketing year. Domestic consumption consists of direct human consumption and industrial usage in bakery products such cakes and biscuits.

Despite stability in domestic consumption, seasonal fluctuations in agricultural production are shown as a major reason for the demand and supply gap. Exporters complain about decreasing export prices after an abundant harvest, due to surplus and weak stock administration. Licensed warehouse systems are developing in Turkey. The Government of Turkey (GOT) has supported construction of some licensed warehouses since 2005. Izmir commodity exchange deals with a new licensed warehouse that is developed to prevent price decreases during harvest season.

Turkish Grain Board (TMO), Turkey's state intervention agency, was charged with distributing raisins to schools through a Cabinet of Ministers Decision published in the Official Gazette on April 8, 2016. TMO has delivered about 2,600 MT of raisins in 25 gram packages to the students in scope of this mission with the help of the TARIS Raisins Agricultural Sales Cooperatives Union's stocks. The GOT aims to support students' nutrition and help to eliminate domestic raisin stocks.

## Trade

The Sultana Raisins Association, which was established in 1934, formed the basis of "TARIS Raisins Agricultural Sales Cooperatives Union". The cooperatives of the union are spread across the western part of Turkey. General Management of TARIS is located in Izmir. In this organization there are fourteen Sultana Raisin Agricultural Sale Cooperatives which in total include 15,000 growers. TARIS announces a procurement price for raisins every year, which also serves as a support price. TARIS is required to buy raisins from its members but members are free to sell to other buyers and they often do. In general, TARIS purchases around 20 percent of total production. TARIS is the largest Sultana exporter in Turkey.

There are numerous firms in the dried fruit processing and export business in Turkey, however the top ten firms are estimated to control about 80 percent of the raisin market. However, TARIS and the Izmir Commodity Exchange are the two determiners price in the market. The procurement policy and procurement price is prominent in terms of setting the price in the domestic raisin market.

**Table 2: Raisins Agricultural Sales Cooperatives Union Procurement Price**

| Marketing Year | Procurement Price (TL/MT) |
|----------------|---------------------------|
| 2010/2011      | 2,900                     |
| 2011/2012      | 3,790                     |
| 2012/2013      | 3,240                     |
| 2013/2014      | 5,370                     |
| 2014/2015      | 3,370                     |
| 2015/2016      | 6,120                     |
| 2016/2017      | 3,580                     |

*Source: Turkish Ministry of Customs and Trade*

In the first ten months of MY 2016/17, Turkey exported about 225,000 MT of raisins. It is expected for MY 2016/17, raisin exports from Turkey will be 260,000 tons after a good harvest with a competitive price. For MY 2017/18, raisin exports forecast is 240,000 MT, as abundant domestic supplies are

| Raisins              | 2015/2016        |             | 2016/2017        |             | 2017/2018        |             |
|----------------------|------------------|-------------|------------------|-------------|------------------|-------------|
| Market Begin Year    | Sep 2015         |             | Sep 2016         |             | Sep 2017         |             |
| Turkey               | USDA<br>Official | New<br>Post | USDA<br>Official | New<br>Post | USDA<br>Official | New<br>Post |
| Area Planted         | 0                | 100000      | 0                | 105000      | 0                | 105000      |
| Area Harvested       | 0                | 99000       | 0                | 104000      | 0                | 100000      |
| Beginning Stocks     | 28177            | 28177       | 6177             | 6377        | 0                | 9377        |
| Production           | 220000           | 220000      | 300000           | 310000      | 0                | 295000      |
| Imports              | 2300             | 2500        | 3000             | 3000        | 0                | 2000        |
| Total Supply         | 250477           | 250677      | 309177           | 319377      | 0                | 306377      |
| Exports              | 201800           | 201800      | 220000           | 260000      | 0                | 240000      |
| Domestic Consumption | 42500            | 42500       | 50000            | 50000       | 0                | 50000       |
| Ending Stocks        | 6177             | 6377        | 39177            | 9377        | 0                | 16377       |
| Total Distribution   | 250477           | 250677      | 309177           | 319377      | 0                | 306377      |
|                      |                  |             |                  |             |                  |             |
| (HA) ,(MT)           |                  |             |                  |             |                  |             |